

Federal Deposit Insurance Corporation (FDIC)**To Your Credit**

Use this tip sheet to identify and address issues surrounding your credit and its history. This tip sheet covers the following topics:



- Ordering your credit report
- Reading a credit report
- Disputing information on your credit report
- Building your credit
- Seeking help from credit counseling agencies

Tip #1:**Order Your Credit Report**

Use this letter as an example of the one you would use to request a copy of your credit report. Be sure to find out the fee required and include it with your letter.

TO: Name of the Credit Reporting Agency

FROM: Your Name

DATE: The date

To Whom It May Concern:

I am writing to request a copy of my credit report. What follows is my personal information required for my credit report. Please send my credit report to the following address:

Your mailing address

Street

City, State, Zip

List any previous addresses

Provide your Social Security Number.

Provide your Date of birth.

Should you have any questions or concerns, you can call me at [your phone number].

Your Signature

Tip #2:**Read Your Credit Report**

Use this to read and interpret your credit report:

Credit Reporting Agency

Please address all future correspondence to:
 Credit Reporting Agency
 P.O. Box 0000
 City, State Zip Code
 (800) 000-0000

SAMPLE CREDIT FILE**Personal Identification Information**

Your Name Social Security #: 000-00-0000
 123 Current Address Date of Birth: January 21, 1967
 City, State 00000

Previous Addresses(es):

234 Any Rd., Martin, Alaska 00000
 P.O. Box 0000, Hilo, PA 00000

Last Reported Employment: Hospital Administration

Public Record Information

Lien filed 02/95; Big CTY; Case or other ID number-00000; amount-\$27045; Class-state; Released 07/95; Verified 02/95

Bankruptcy filed 10/94; Any District Ct; Case or other ID number-000AB00; Liabilities-\$13072; Personal; Individual; Discharged; Assets-\$790

Collection Agency Account Information

Any Collection Agency (800) 000-0000
 Collection Reported 07/99; Assigned 09/99 to Any Collection Agency (800) 000-0000 Client - ABC Hospital; Amount-\$878; Paid collection account.

Credit Account Information

Company Name	Account Number	Whose Acct	Date Opened	Month Review	Date of Last Activity	High Credit	Terms	Items as of Date Reported			Rate
								Terms	Past Due	Status	
1	2	3	4	5	6	7	8	9	10	11	12
Bank	1234	I	04/98	24	4/01	\$750		\$0		I1	3/01
Store	5678	J	12/00	36	12/01	\$1000		\$0		R1	1/01
Auto	9101	I	5/97	48	12/00	\$2400	\$50 \$300	\$200		I5	4/01

Previous Payment History: 3 Times 30 days late; 4 Times 60 days late

Companies that Requested your Credit File

08/06/00 Bureau Disclosure 12/27/01 Department Store
 03/01/01 Bankcard 01/23/01 Bankcard

Identifying Information

This section lists your:

- Name
- Social Security number
- Current and previous addresses
- Telephone number
- Birth date
- Current and previous employers
- If you have one, your spouse's name

Public Record Information

This section of your credit report lists items that are matters of public record, such as collection accounts, bankruptcies, foreclosures, tax liens, civil judgments, and late child support payments. Here, Penny has a lien and bankruptcy listed, which have a negative impact on her credit rating. It will take 7-10 years for both the lien and bankruptcy to be removed from her credit report.

Credit History

The Credit History section of your credit report shows your account record with different creditors. The Credit History Section shows how much credit has been extended to you and how you have repaid it.

Inquiries

This is a list that identifies creditors and other authorized parties who have requested and received your credit report. Often, they want to use this information to determine if they should extend credit to you.

Tip #3:**Dispute Information On Your Credit Report**

Use this letter as an example of the one you would use to dispute information that you think is inaccurate or incorrect on your credit report. Be sure to include:

- ❑ A copy of your credit report with the item or items in dispute circled, and
- ❑ Any documentation that will help support your claim.

[Your name]

[Your address]

Complaint Department

[The name of the credit reporting agency]

[The address of the credit reporting agency]

City, State, Zip Code

To Whom It May Concern:

I am writing to dispute the following information my file. The items I dispute also are circled on the attached copy of the credit report I received.

The collection reported for *[the item in dispute]* is inaccurate because *[the reason the report is inaccurate]*.

I am requesting that this item be deleted to correct the information.

Please investigate these matters and delete the disputed items as soon as possible.

Sincerely,

[Your signature]

Enclosures:

- Credit Report
- *[Any other supporting documentation]*

Tip #4:

Build Your Credit

What can you do build your credit history? Here are some tips:

- Get a copy of your credit report and review it for errors. Take action to address any errors you find (see the previous section on writing a dispute letter).
- Here are some steps to help you build and repair your credit. Remember, building credit can take some time if you have a problematic credit history.
- Apply for a small loan at the bank, thrift, or credit union where you have checking and savings accounts.
- Apply for credit with a local store, such as a department store. They typically have a lower credit limit and a higher annual percentage rate (APR), but are generally more willing to lend you money. There is usually no fee for department store cards.
- Make a large down payment on a purchase and negotiate credit payments for the balance. If you do not have a credit history but have a large down payment, there is less risk you will not make the payments. For example, if you are buying a used car for \$5,000 and have enough cash, you might consider making a down payment of \$1,000-\$3,000. Although the loan will be very small, it can prove you make your payments on time.
- You might ask a friend or relative with an established credit history to be a cosigner for you. A cosigner promises to repay the loan if you don't. The lender should report the payment information for both you and the cosigner to the credit reporting agencies.
- Pay your bills on time. This will help establish a good credit history, so you can get credit in the future.
- You might ask the lender to review your history of making rent and utility payments to demonstrate your ability to pay.

Tip #5:

If Necessary, Seek Help from a Credit Counseling Agency

Credit counseling agencies can help you budget and negotiate with your lenders to make loan payments more manageable. If you decide to use a credit counseling agency, be sure to:

1. Interview several before signing a contract.
2. Check with the Better Business Bureau to find out if consumers have filed complaints about the agency you are considering.

Here are some questions that you should ask to help you choose the right agency:

Services and Fees

- ☐ What services do you offer?
- ☐ Do you have educational materials? If so, will you send them to me? Are they free? Can I access them on the Internet?
- ☐ In addition to helping me solve my immediate problem, will you help me develop a plan for avoiding problems in the future?
- ☐ What are your fees? Do I have to pay anything before you can help me? Are there monthly fees? What is the basis for the fees?
- ☐ What is the source of your funding?
- ☐ Will I have a formal written agreement or contract with you?
- ☐ How soon can you take my case?
- ☐ Who regulates, oversees or licenses your agency? Is your agency audited?
- ☐ Will I work with one counselor or several?
- ☐ What are the qualifications of your counselors? Are they accredited or certified? If not, how they are trained?
- ☐ What assurances do I have that information about me (including my address and phone number) will be kept confidential?

Repayment Plan

- ☐ How much debt must I have to use your services?
- ☐ How do you determine the amount of my payment? What happens if this is more than I can afford?
- ☐ How does your debt repayment plan work? How do I know my creditors have received payments? Is client money put into a separate account from operating funds?
- ☐ How often can I get status reports on my accounts? Can I get access to my accounts online or by phone?
- ☐ Can you get my creditors to lower or eliminate interest and finance charges or waive late fees?
- ☐ Is a debt repayment plan my only option?
- ☐ What if I can't maintain the agreed-upon plan?
- ☐ What debts will be excluded from the debt repayment plan?
- ☐ Will you help me plan for payment of these debts?
- ☐ Who will help me if I have problems with my accounts or creditors?